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BARRY F. MCCARTHY
C. SUSAN BERLIN
SUSAN M. O'BRIEN

MCCARTHY & BERLIN LLP

ATTORNEYS AT LAW
100 PARK CENTER PLAZA, SUITE 501
SAN JOSE, CALIFORNIA 95113

Tel.: 408-288-2080
Fax: 408-288-2085
mberlin@mccarthyllp.com

December 5, 2007

Mr. Tom Cackette
Acting Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed Adoption of New Sections 95100 to 95133, title 17, California Code of Regulations (CCR), Sections 95100 to 95133

Dear Mr. Cackette:

The Northern California Power Agency¹ (NCPA) offers these comments on California Air Resources Board's (CARB) Proposed Adoption New Sections 95100 to 95133, title 17, California Code of Regulations (CCR), Sections 95100 to 95133. NCPA submits these comments to address concerns with the Proposed Regulations regarding (1) proposed section 95111(i) and (2) the anticipated costs to public agencies as set forth in the October 9, 2007 Notice of Public Hearing to Consider Adoption of a Regulation for the Mandatory Reporting of Greenhouse Gas Emissions and the Initial Statement of Reasons.²

About NCPA

NCPA is a California Joint Action Agency established in 1968, and whose membership is open to municipalities, rural electric cooperatives, irrigation districts and other publicly owned entities interested in the purchase, aggregation, scheduling and management of electrical energy. NCPA provides support for the electric utility operations of seventeen member communities and districts in Northern and Central California, and owns and operates several power plants. NCPA's members include fifteen publicly owned utilities that provide electric service to retail customers.

Proposed Regulation § 95111(i)

NCPA has participated in CARB's informal process to develop the regulations and submitted written comments on September 17, 2007 to CARB on the Draft Reporting Regulations of proposed regulation § 95111(i). In those comments, NCPA noted that the proposed method by

¹ NCPA members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District, and whose Associate Members are the Plumas-Sierra Rural Electric Cooperative and the Placer County Water Agency.

² NCPA also supports the written comments submitted by the California Municipal Utilities Association on November 30, 2007.

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which to calculate fugitive CO₂ emissions³ from geothermal generating facilities that resulted in a figure that was not reflective of the actual fugitive emissions attributable to geothermal generating facilities in general, and specifically the facilities owned and operated by NCPA in northern California. While the proposed regulation was revised, pursuant to discussions with CARB staff, NCPA has been informed that the draft contains errors that, when corrected, would result in an emissions calculation that is very similar to the original calculation. Despite the revisions, NCPA believes that this equation will continue to result in an unrealistically high CO₂ level that does not accurately reflect the actual emissions associated with the electricity generated by the facility.

In response to NCPA's September 17 comments, the Proposed Regulation includes new provision 95111(i)(2) which provides:

"Operators of geothermal generating facilities may calculate CO₂ emissions using a source specific emission factor derived from source tests conducted under the supervision of local air pollution control districts/air quality management districts and approved by ARB. Once the source test plan has been approved by ARB, the source test procedures shall be repeated in future years to update the source specific emission factors annually. In the absence of source specific emission factors approved by ARB, the operator shall use the method specified above."

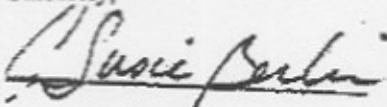
NCPA fully supports the inclusion of this new section 95111(i)(2).

Costs to Public Agencies

NCPA believes that the proposed costs to public agencies understate the total costs that local publicly owned entities will incur in complying with the Regulations. NCPA does not dispute that CARB has the authority to adopt and impose the regulations, but notes that the Public Notice (at p.6) and the Initial Statement of Reasons (at p. 63), does not fully reflect the costs that will be incurred by the public agencies that are required to comply with the reporting regulations. For example, one NCPA member - a mid-sized utility - estimates that there will be a minimum annual cost of more than \$62,000, exclusive of almost \$10,000 in new equipment and software, as well as personnel and training. Other members estimate that they will require at least one full time employee to be devoted solely to compliance with the mandatory reporting and verification requirements set forth in the Regulations. NCPA believes that the initial statement of reasons should be modified to reflect higher compliance costs for public agencies.

NCPA appreciates all of CARB's efforts on this matter and the opportunity to provide you with this information. If you have any questions, please do not hesitate to contact Murray Grande, Geothermal Facility Manager 707-987-4033 or mgrande@mcpagen.com to discuss.

Sincerely,



MCCARTHY & BERLIN, LLP
Attorneys for the Northern California Power Agency

³ Fugitive emissions Section 95102(59) defines fugitive emissions to include CO₂ emitted "incidentally with geyser steam used in geothermal generating facilities."